

m/035/020

From: Wayne Hedberg
To: Russell Larsen
Date: 11/10/03 9:50AM
Subject: Re: Reclamation Escrow with Salt Lake City

Russ,

Mary Ann is out until Wednesday this week. I will talk further with her on this when she returns. I think this latest news is encouraging. I still believe it would be a good idea to get together with Lynn Pace and Doug Wheelwright after you get the new paperwork from them on the survey work they recently performed.

Our continued concern is that we are all evaluating the same mining and reclamation plan for mutual acceptance. We also are concerned how your mine development and final reclamation plans may ultimately tie into Staker's mining configurations. Hopefully, a smooth transition in the pit and highwall slopes can be accomplished.

Please proceed with acquisition of the new \$100,000 transitional surety bond as we discussed on 11/04. It sounds like Lynn Pace will look into getting our name placed upon the escrow account. Of course we would be willing to hold all the reclamation escrow funds, if SLC is indeed willing and able to relinquish same. When do you expect to hear back from your bonding company on the transitional surety? Please let us know if you need assistance in completing the forms.

Thanks for your cooperation in this regard.

Wayne Hedberg

>>> "Russell Larsen" <russ@hermhughes.com> 11/07/03 04:18PM >>>
Mary Ann & Wayne,

I talked with Lynn Pace today about the zoning and the reclamation escrow. SLC has completed their survey and staking of the zoning line and is sending the paperwork over for me to review. If we are in agreement, then he will proceed and get the issue in front of the Salt Lake planning commission, and then onto the city council.

I also talked with Lynn about the reclamation fund. He does not see any problem with naming DOGM as an additional insured or even just transferring the money over to DOGM, so that you are in charge of it. He will check with the other powers that be and make sure that is ok with everyone at SLC.

At this point do you still want me to set up a meeting with Lynn Pace, or are the items that you are concerned about being taken care of?

I also talked with my bonding company and they are ok with the transitional bond forms. We just need to get the blanks filled in, and they will get it taken care of.

Russell Larsen

CC: Doug Jensen; Mary Ann Wright

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